



RESPA ROUNDUP

Nearly 1,500 individuals and companies now receive the RESPA Roundup via email when we release a new issue. If you want to join our distribution list, please click here!

Also, if you want us to address a specific question in a future issue of the RESPA Roundup, suggest a topic!

I. VOE/VOD charges

Where should estimated charges for verifications of employment or deposit (VOE/VOD) **charged by the borrower's employer or account holder** (<u>not</u> by the loan originator) be disclosed on the GFE?

As noted in the April 2, 2010 New RESPA Rule FAQs, these charges should be disclosed in Block 3 of the GFE.

If at the time the loan originator issued the GFE, the loan originator did not know that there would be a VOE/VOD charge from the borrower's employer, a third party designated by the borrower's employer, or the borrower's financial institution can the loan originator issue a revised GFE?

The loan originator may issue a revised GFE reflecting the additional charge for the VOE/VOD in Block 3, so long as the requirements of 24 CFR Part 3500.7(f)(1) are met, including the requirement that the revised GFE must be given within three business days of receiving information of the charge.

II. Services obtained in prior transactions

We have received a number of inquiries concerning disclosure on the GFE and HUD-1/1A of services such as an appraisal or a survey that were paid for in a prior transaction.

If a loan originator knows at the time of application that the loan originator will use an existing appraisal or survey that was paid for in a prior transaction, the loan originator must list the appraisal or survey in Block 3 and disclose \$0.00 as the charge for that service.

LINKS

The Office of RESPA and ILS

RESPA FAQs

<u>GFE</u>

GFE Instructions

HUD-1

HUD-1A

HUD-1 Instructions

FHA Mortgagee Letters

VA Loan Circulars/News

Email us

If a loan originator includes an estimate of a charge for a service on the GFE, but then uses an existing work product that was paid for in a prior transaction, then the service is not entered on page 2 of the HUD-1/1A and the GFE estimate of the charge for that service is not included on the comparison chart on page 3 of the HUD-1/1A. For more on this please see the July, 2010 edition of the RESPA Roundup.

III. Sales and use taxes for information services

We have received some questions about disclosure on the GFE and HUD-1/1A of the New York sales and use tax on information services (such as abstracts of title and other public record searches) purchased by title companies.

Sales and use taxes paid by a title company for the information services that the title company purchases may not be separately itemized on the GFE or the HUD-1/1A. Sales and use taxes on information services provided to title companies are included in the charge for title services listed in Blocks 4 and 5 on the GFE and on Line 1101 of the HUD-1/1A, in accordance with the instructions for completing the GFE and the HUD-1/1A.

Contact Us

To contact us with RESPA questions, send an email to <u>hsg-respa@hud.gov</u> or call us at 202.708.0502.

Barton Shapiro Director Mary Jo Sullivan Deputy Director

Vol. 3, December 2010